

Sims Asserts Daniels 'Shot Morale to Bits'

Secretary's Failure to Fix Definite Policy on Medals Blamed by Admiral, Who Defends Right as Critic

Would Cancel All Awards

Charges Grave Injustices And Cites Case of Cabinet Officer's Brother-in-Law

WASHINGTON, Jan. 16.—While disclaiming any thought of making a personal attack on Secretary Daniels, Rear Admiral William S. Sims told the Senate sub-committee investigating naval war decorations to-day that the morale of the service had been "knocked to pieces" as a result of methods followed in making the awards.

The underlying cause of "the whole unfortunate affair," Admiral Sims asserted, was the failure of Mr. Daniels to formulate a definite policy to govern awards in his instructions to the Knight medal board. Grave injustice had been done many officers because of this, he added.

Admiral Sims, who during the war commanded American forces in foreign waters, said constructive criticism was part of his duty to the service, and his recent letter as well as his testimony was not to be construed otherwise. He argued for withdrawal of department regulations requiring officers not to publish critical articles without specific sanction as in the best interests of the service. In connection with his original letter refusing a distinguished service medal pending action by the Secretary on his plea for reconsideration of his recommendation as to awards, he said Mr. Daniels had written him that no final action had been taken.

"Commanders Best Judges"

Admiral Sims vigorously reaffirmed the position taken in his letter that only commanding officers were competent to pass on the relative value of services performed by officers under them. He cited charges in the press made both by the Knight Board and the Secretary as being unjustified, and expressed the opinion that the service generally would welcome withdrawal of all medals because of the "unfortunate and unnecessary" controversy that had arisen.

Taking up the Secretary's announced policy of awarding distinguished service medals to officers who had lost ships in action where their service had been meritorious, Admiral Sims declared such officers deserved medals of honor or nothing. He cited the case of a British "mystery ship" sunk by a submarine after a battle from which the U. S. boat emerged unhurt. The British officer received, he said, the Victoria Cross, equivalent to the Medal of Honor.

Reads Inquiry on Bagley

In this connection Admiral Sims read a personal letter from Secretary Daniels asking that he be awarded "suitable recognition" of the services of Lieutenant Commander David W. Bagley (Mr. Daniels's brother-in-law) and other officers of the destroyer Jacob Jones sunk without warning by an enemy torpedo, had been taken, and his own reply stating that officers in cases like this deserved no particular recognition. Admiral Sims also presented a personal letter he had written Bagley at the time, commending his conduct after the sinking of the Jones, which letter, he said, was in addition to the formal commendation made a part of Bagley's military record.

Summing up his objections to the decorations award policy, Admiral Sims declared that "the awarding of medals to men who lost the ships in action without engaging the enemy was without precedent in the history of the American navy or any other navy and had resulted in absolutely shattering the morale of the service." He attacked changes made both by Secretary Daniels and the Knight Board, bluntly stating that he did not have confidence in the board's ability to judge of the relative merits of officers.

Prefer No Medals

Officers of the navy, the admiral said, would much rather have no medals awarded than to have them juggled around. He said that his chief criticism was that some of his recommendations had not been approved, but was that by awarding medals of different value than he recommended to various officers of his staff the board and secretary had changed the relative order of merit of the service of the officers, conferring high decorations on officers who performed more or less routine duty and lower honors on officers who administered posts of extreme importance.

Admiral Sims is expected to conclude his testimony to-morrow, and Chairman Hale did not indicate what officer would be cited for recommendations of officers who made recommendations that would be heard before members of the

Knights board or Secretary Daniels were called. It was indicated that Mr. Daniels would be the last witness called.

Opening the hearing, Chairman Hale said Congress intended that the award of honors won by naval officers and men in time of war should be "beyond the influence of friendship, patronage or politics," but that there was a feeling over the country that the intent of Congress had been violated.

The purpose of the committee's investigation was summed up by the chairman as follows:

To throw the full light of publicity on any person or persons responsible for lowering the value of naval war-time decorations to the recipients and thus lowering the morale of the navy by allowing friendship or politics to influence such awards and to obtain full vindication of any persons who might have been placed in a false light before the public as the result of recent charges.

Senator Pittman, Nevada, Democrat, charged the committee with discourtesy to Secretary Daniels in calling Admiral Sims, a subordinate officer, before hearing Secretary Daniels, the "man who is virtually on trial here." He said Mr. Daniels was responsible for the awards and should be heard first.

Chairman Hale replied that no discourtesy was thought of the Secretary, but that it was thought best first to call Admiral Sims, who made the principal charges in the controversy.

Senator Pittman then demanded a roll call on a formal motion that Secretary Daniels be called first, which was lost by a vote of 3 to 2.

A motion by Senator Pittman that Secretary Daniels be called as soon as Rear Admiral Sims finished his testimony also was defeated.

Denies Personal Attack

On taking the stand Admiral Sims said he had received a reply to his letter to Mr. Daniels criticizing the methods of making the naval awards; that the reply was personal and simply said no final action on the awards had been made.

Admiral Sims then read a prepared statement, in which he said some newspapers had been mistaken in ascribing personal motives to some of those who had criticized the awards and in assuming that advantage was taken of the incident to make a personal attack on the Secretary.

"Nothing could be further from the truth," he said, adding that in "probably the nearly unanimous opinion of officers of the navy" certain mistakes were made in the awards which involved not only the question of justice, but the morale of the fighting force.

Declaring that he had read statements in the press that he had recommended every officer on his staff for a D. S. M., the admiral said he had recommended only nineteen officers for that decoration out of 202 who were on his staff. He characterized the services of these officers as of "paramount importance" and reviewed their records to show why he recommended them for decoration.

"Whatever of recognition, praise or credit I may have got out of this war belongs to the officers of my staff," he declared. "I only claim the credit for building the machine and picking the right men."

Admiral Sims said medals were only a means to an end, and the service in general would be glad if all could be withdrawn and the government "call it square." The "unfortunate and unnecessary" controversy, he said, had

arisen because "a policy defined by the Secretary" had not been written into instructions to the Knight medal award board, as he and other officers had urged.

He had recommended, he added, "three out of 80,000" for medals of honor, and "all got something else," the only honor medal awarded going to Lieutenant James, captured by a submarine after the sinking of the transport President Lincoln.

General decoration of officers who lost their ships was without precedent in the history of the world, Admiral Sims said. Commanders in such cases earned "the medal of honor or nothing," he added.

Cross for "Boy on Burning Deck"

Replying to Senator Pittman as to whether the commander of a sinking ship might perform a distinguished service, the admiral created a ripple of laughter by declaring he would have awarded a navy cross to the "boy who stood on the burning deck," but not a Distinguished Service Medal.

"My sole and chief contention is that the action of the Secretary and the Knight board in changing the recommendations made by commanding officers was absolutely without justification," continued the admiral. "The immediate superior in command is the only one who knows what each officer did."

Failure to recognize this, Admiral Sims said, "has been extremely destructive to the morale of the navy, which is already shot to pieces."

Admiral Sims had verbal tilts with several Senators, particularly Senator Pittman, which caused laughter among the spectators.

"We are now seeking to investigate the cases in the Court of General Sessions where the District Attorney made written recommendations, approved by the judges of that court, of bail discharges or dismissal of indictments for reasons which seemed good and sufficient in law to the District Attorney and the judges. All of the records of the office are open to you, and you will be given every opportunity to make your personal investigation."

No Such Sales Found

"Upon information and belief I state it to be a fact," read the Tally affidavit, "and one within the knowledge of Judge Weeks that Judge Weeks during the period running from November 6 to November 24, 1919, was engaged in conducting an investigation into Wall Street brokerage offices with a view of ascertaining whether any public officers had been selling Interborough stock or securities short, and that as a result of this investigation no such transactions in stocks or securities were found to have been engaged in by any public official."

"I state it to be a fact that the minutes of the entire grand jury proceedings were placed in the possession of and examined by Judge Weeks, and that I was so informed by him."

The McQuaid affidavit read, in part: "On the 5th day of November, 1919, I was directed by Acting District Attorney Alfred J. Tally to report to Judge Weeks in his chambers, in the Criminal Courts Building, Judge Weeks told me, in substance, that he had information that there had been short selling in the traction securities, and wished me to investigate the same, and made an appointment with me to go down to his office the next day, to go over the matter."

"I went down to his chambers, in 51 Chambers Street, and he and the Financial Chronicle and copies of a daily newspaper for the months of July and August, 1919, and he made up a schedule showing the high mark of the different traction securities for the years 1918 and 1919, also showing the amount of bonds and stocks and their movements, which he tabulated and retained, showing me the result of his tabulation, some of which was done in my presence and some of which was done when I was not there."

"In the mean time he communicated with the Stock Exchange and gave me entry to the office of the secretary of the Stock Exchange, and informed me that he had personally communicated with officers and committees of the Stock Exchange, and had some of them call upon him personally, and, as a result of that, a subpoena duces tecum was drawn up by me on a form that had been prepared by Judge Weeks, telling me what to get from the brokers whose names were turned up on the Clearing House sheets of the New York Stock Exchange."

Visited Many Brokers

"In preparation for that he had arranged to have Mr. Strait, chairman of the Clearing House committee of the New York Stock Exchange, appear before the grand jury with Clearing House sheets of a particular date, and subsequently I obtained other Clearing House sheets through this introduction to Mr. Strait, which this letter be signed either by me or by the District Attorney and that I take this matter up with the District Attorney."

"I then presented the matter to the District Attorney, who refused to put his name to the letter or to permit me to put mine to it, and the District Attorney stated that if the letter went out at all it should be sent out under the signature of the foreman of the extraordinary grand jury or Judge Weeks."

"In the whole investigation I acted entirely under the direction of Judge Weeks and reported solely to him."

During the court procedure Justice Weeks said:

"I think it necessary to state that there was no consultation between the foreman of the grand jury and the court other than on matters relating to the grand jury's business. I therefore fail to see that the statement in the affidavits has any bearing except to infer that such consultations were improper."

"In regard to the conduct of the investigation of Wall Street brokerage houses, that was for the purpose of assisting a representative of the District Attorney's office, who was assigned to that matter by the District Attorney, and the assignment was made after the District Attorney, Mr. Swann, was shown an anonymous letter referred to and after Mr. Swann, as District Attorney, had specifically requested this particular grand jury to conduct an investigation."

McQuaid Statement Questioned

"The statement in the affidavit that Judge Weeks had told him (Talley) that the entire grand jury minutes were placed in his possession is incorrect. If it is the intent of the affidavit for Mr. McQuaid to convey the impression that the court at any time have any instruction to Mr. McQuaid not to report to the District Attorney and not to keep the District Attorney informed, it is incorrect. . . . The court sees no reason for any implied or stated criticism of the court's action."

Mr. Talley hastened to say that no criticism was expressed or implied. He reiterated that the Wall Street inquiry had revealed no stock transactions by officials.

Court Declines to Comment

Mr. Talley asked if the court would not make public the fact that nothing had been found to connect any public official with any questionable stock transaction. Justice Weeks replied that McQuaid had all his notes on the matter and that the court had none. The court said this had no connection with opposition to the publication of the grand jury minutes, the matter on which Mr. Talley originally came into court.

"I have no control over any matter not before me," said Justice Weeks. "But Your Honor is a justice of the Supreme Court, and if no transactions were found it ought to be made known."

Justice Weeks replied that only two or three days' transactions were examined and that the District Attorney had the same right to publish the result of that examination that he had in any other criminal investigation, adding:

"Whatever that right is the District Attorney will have to determine."

At one point, Mr. Talley asked: "Didn't your honor send Mr. McQuaid to find out whether Mayor Hylan or Mr. Swann had been dealing in Interborough securities?"

"Or any other public officials," supplemented the court.

Mr. Almirall was authority for the statement that the information of short selling by one or more officials came to him early last fall in two anonymous letters. He said he talked the matter over with Justice Weeks, who also

Court Sought Official Deals In I.R.T. Stock

Continued from page 1

was owned by the Interborough, and whose officers and directors were identical, and that these officers were under charges before the grand jury.

(2) That the bankers who financed the Interborough had a mortgage on the publishing business which was being managed by the secretary of the grand jury. I might add here that the secretary of the grand jury is a member of the bar of Nebraska and of Colorado, and that the clerk of the grand jury is the brother-in-law and former partner of one of the board of governors of the Stock Exchange and a former president of the same, who is greatly interested in traction and is an insatiable advocate of the demand of the Interborough for an 8-cent fare in violation of its contract with the city under which they operate the city-owned subway.

"I also called your attention to the fact (3) that the counsel for the Interborough had appeared for the accused officials in answer to these charges, and that your son, who is in the office of this attorney, had at his request procured a transcript of the court minutes of the District Attorney's application to the court for permission to present evidence against the Interborough officials."

"You are now seeking to investigate the cases in the Court of General Sessions where the District Attorney made written recommendations, approved by the judges of that court, of bail discharges or dismissal of indictments for reasons which seemed good and sufficient in law to the District Attorney and the judges. All of the records of the office are open to you, and you will be given every opportunity to make your personal investigation."

More Than Half Charged

Admiral Sims said that only 218 recommendations out of 440 were not changed by the department. He went into detail as to several cases, citing as "especially flagrant" that of Commander J. V. Babcock, his personal aide, recommended for a D. S. M., and reduced to a navy cross. This officer, he said, had much to do with the success of American operations in European waters and deserved "the thanks and gratitude of the American people" as much as any other naval officer.

Contrast this situation with the fact that Secretary Daniels's brother-in-law, a fine young officer, very worthy, but one who lost his ship without injuring the enemy, was recommended for the navy cross and received a D. S. M., Admiral Sims said. "That is what all naval officers complain of, what has reduced naval morale to zero."

The admiral said he had recommended Lieutenant A. L. Gates and Ensign H. G. Hammann for medals of honor because of exceptional heroism, and Gates had finally received a D. S. M., while Hammann got a navy cross. Lieutenant Frank Bruce, deceased, also recommended for the medal of honor was reduced to a navy cross by the Secretary, he added, the Knight board not having considered the case.

Zion Reborn



National Advisory Committee

HON. NATHAN STRAUS, Honorary Chairman.

HON. JULIAN W. MACK, Chairman.

DR. STEPHEN S. WISE, Vice-Chairman.

Hon. Newton D. Baker
Hon. James M. Beck
Hon. Louis D. Brandeis
Hon. William Jennings Bryan
Rt. Rev. Charles S. Burch
Dr. Nicholas Murray Butler
Hon. Arthur Capper
Hon. Benjamin N. Cardozo
Sigmund Eisner

Dr. Charles W. Eliot
Hon. Abram I. Elkus
Mrs. Joseph Fels
Bernard Flexner
Dr. Harry Friedenwald
James Cardinal Gibbons
Dr. G. Stanley Hall
Hamilton Holt
Hon. Frank O. Lowden
Rev. Dr. Frederick Lynch
Percy Mackaye
Hon. Julius M. Mayer
Hon. William G. McAdoo
William Fellows Morgan
Peter J. Schweitzer
Hon. Alfred E. Smith
Rev. Dr. Henry van Dyke
Rt. Rev. Luther B. Wilson
Dr. Charles F. Thwing

PALESTINE RESTORATION FUND

The campaign is now in progress to raise a fund of Ten Million Dollars, to be devoted to the following objects:

- First—The purchase of land in Palestine.
- Second—Preparation of Palestine for Jewish settlement.
- Third—Maintenance and development of work already in progress in Palestine and elsewhere.

Contributions to this fund may be made to authorized representatives or direct to

THE ZIONIST ORGANIZATION OF AMERICA

55 Fifth Avenue—New York City.

Ask collectors to show identification cards.

and August, 1919, and he made up a schedule showing the high mark of the different traction securities for the years 1918 and 1919, also showing the amount of bonds and stocks and their movements, which he tabulated and retained, showing me the result of his tabulation, some of which was done in my presence and some of which was done when I was not there."

"In the mean time he communicated with the Stock Exchange and gave me entry to the office of the secretary of the Stock Exchange, and informed me that he had personally communicated with officers and committees of the Stock Exchange, and had some of them call upon him personally, and, as a result of that, a subpoena duces tecum was drawn up by me on a form that had been prepared by Judge Weeks, telling me what to get from the brokers whose names were turned up on the Clearing House sheets of the New York Stock Exchange."

Visited Many Brokers

"In preparation for that he had arranged to have Mr. Strait, chairman of the Clearing House committee of the New York Stock Exchange, appear before the grand jury with Clearing House sheets of a particular date, and subsequently I obtained other Clearing House sheets through this introduction to Mr. Strait, which this letter be signed either by me or by the District Attorney and that I take this matter up with the District Attorney."

"I then presented the matter to the District Attorney, who refused to put his name to the letter or to permit me to put mine to it, and the District Attorney stated that if the letter went out at all it should be sent out under the signature of the foreman of the extraordinary grand jury or Judge Weeks."

"In the whole investigation I acted entirely under the direction of Judge Weeks and reported solely to him."

During the court procedure Justice Weeks said:

"I think it necessary to state that there was no consultation between the foreman of the grand jury and the court other than on matters relating to the grand jury's business. I therefore fail to see that the statement in the affidavits has any bearing except to infer that such consultations were improper."

"In regard to the conduct of the investigation of Wall Street brokerage houses, that was for the purpose of assisting a representative of the District Attorney's office, who was assigned to that matter by the District Attorney, and the assignment was made after the District Attorney, Mr. Swann, was shown an anonymous letter referred to and after Mr. Swann, as District Attorney, had specifically requested this particular grand jury to conduct an investigation."

McQuaid Statement Questioned

"The statement in the affidavit that Judge Weeks had told him (Talley) that the entire grand jury minutes were placed in his possession is incorrect. If it is the intent of the affidavit for Mr. McQuaid to convey the impression that the court at any time have any instruction to Mr. McQuaid not to report to the District Attorney and not to keep the District Attorney informed, it is incorrect. . . . The court sees no reason for any implied or stated criticism of the court's action."

Mr. Talley hastened to say that no criticism was expressed or implied. He reiterated that the Wall Street inquiry had revealed no stock transactions by officials.

Court Declines to Comment

Mr. Talley asked if the court would not make public the fact that nothing had been found to connect any public official with any questionable stock transaction. Justice Weeks replied that McQuaid had all his notes on the matter and that the court had none. The court said this had no connection with opposition to the publication of the grand jury minutes, the matter on which Mr. Talley originally came into court.

"I have no control over any matter not before me," said Justice Weeks. "But Your Honor is a justice of the Supreme Court, and if no transactions were found it ought to be made known."

Justice Weeks replied that only two or three days' transactions were examined and that the District Attorney had the same right to publish the result of that examination that he had in any other criminal investigation, adding:

"Whatever that right is the District Attorney will have to determine."

At one point, Mr. Talley asked: "Didn't your honor send Mr. McQuaid to find out whether Mayor Hylan or Mr. Swann had been dealing in Interborough securities?"

"Or any other public officials," supplemented the court.

Mr. Almirall was authority for the statement that the information of short selling by one or more officials came to him early last fall in two anonymous letters. He said he talked the matter over with Justice Weeks, who also

for the names of public officials or other persons who might have sold at the time above indicated Interborough preferred stock short."

"Judge Weeks gave me to understand that the search was to be directed for stock transactions on the part of public officials or other persons."

Directed by Judge

"From November 5 to 24 I was practically entirely relieved from all other work in the District Attorney's office, and active solely in this investigation, under the direction and supervision of Justice Weeks, and during that time I did not report either to the District Attorney or to the acting District Attorney, but only to Judge Weeks."

On or about November 24, 1919, Judge Weeks told me that I had gone far enough in the investigation along the lines we pursued, and as nothing of importance had been turned up he had under consideration the sending of a letter to all the brokers in Wall Street and asked me to draft such letter. I did so that afternoon and mailed it to him. He received it the next day and I was notified by telephone that the letter was ready and I called at Judge Weeks's chambers, 51 Chambers Street, and received my draft of the letter back with certain corrections made by himself. Judge Weeks suggested that this letter be signed either by me or by the District Attorney and that I take this matter up with the District Attorney."

"I then presented the matter to the District Attorney, who refused to put his name to the letter or to permit me to put mine to it, and the District Attorney stated that if the letter went out at all it should be sent out under the signature of the foreman of the extraordinary grand jury or Judge Weeks."

"In the whole investigation I acted entirely under the direction of Judge Weeks and reported solely to him."

During the court procedure Justice Weeks said:

"I think it necessary to state that there was no consultation between the foreman of the grand jury and the court other than on matters relating to the grand jury's business. I therefore fail to see that the statement in the affidavits has any bearing except to infer that such consultations were improper."

"In regard to the conduct of the investigation of Wall Street brokerage houses, that was for the purpose of assisting a representative of the District Attorney's office, who was assigned to that matter by the District Attorney, and the assignment was made after the District Attorney, Mr. Swann, was shown an anonymous letter referred to and after Mr. Swann, as District Attorney, had specifically requested this particular grand jury to conduct an investigation."

McQuaid Statement Questioned

"The statement in the affidavit that Judge Weeks had told him (Talley) that the entire grand jury minutes were placed in his possession is incorrect. If it is the intent of the affidavit for Mr. McQuaid to convey the impression that the court at any time have any instruction to Mr. McQuaid not to report to the District Attorney and not to keep the District Attorney informed, it is incorrect. . . . The court sees no reason for any implied or stated criticism of the court's action."

Mr. Talley hastened to say that no criticism was expressed or implied. He reiterated that the Wall Street inquiry had revealed no stock transactions by officials.

Court Declines to Comment

Mr. Talley asked if the court would not make public the fact that nothing had been found to connect any public official with any questionable stock transaction. Justice Weeks replied that McQuaid had all his notes on the matter and that the court had none. The court said this had no connection with opposition to the publication of the grand jury minutes, the matter on which Mr. Talley originally came into court.

"I have no control over any matter not before me," said Justice Weeks. "But Your Honor is a justice of the Supreme Court, and if no transactions were found it ought to be made known."

Justice Weeks replied that only two or three days' transactions were examined and that the District Attorney had the same right to publish the result of that examination that he had in any other criminal investigation, adding:

"Whatever that right is the District Attorney will have to determine."

At one point, Mr. Talley asked: "Didn't your honor send Mr. McQuaid to find out whether Mayor Hylan or Mr. Swann had been dealing in Interborough securities?"

"Or any other public officials," supplemented the court.

Mr. Almirall was authority for the statement that the information of short selling by one or more officials came to him early last fall in two anonymous letters. He said he talked the matter over with Justice Weeks, who also

for the names of public officials or other persons who might have sold at the time above indicated Interborough preferred stock short."

"Judge Weeks gave me to understand that the search was to be directed for stock transactions on the part of public officials or other persons."

Directed by Judge

"From November 5 to 24 I was practically entirely relieved from all other work in the District Attorney's office, and active solely in this investigation, under the direction and supervision of Justice Weeks, and during that time I did not report either to the District Attorney or to the acting District Attorney, but only to Judge Weeks."

On or about November 24, 1919, Judge Weeks told me that I had gone far enough in the investigation along the lines we pursued, and as nothing of importance had been turned up he had under consideration the sending of a letter to all the brokers in Wall Street and asked me to draft such letter. I did so that afternoon and mailed it to him. He received it the next day and I was notified by telephone that the letter was ready and I called at Judge Weeks's chambers, 51 Chambers Street, and received my draft of the letter back with certain corrections made by himself. Judge Weeks suggested that this letter be signed either by me or by the District Attorney and that I take this matter up with the District Attorney."

"I then presented the matter to the District Attorney, who refused to put his name to the letter or to permit me to put mine to it, and the District Attorney stated that if the letter went out at all it should be sent out under the signature of the foreman of the extraordinary grand jury or Judge Weeks."

"In the whole investigation I acted entirely under the direction of Judge Weeks and reported solely to him."

During the court procedure Justice Weeks said:

"I think it necessary to state that there was no consultation between the foreman of the grand jury and the court other than on matters relating to the grand jury's business. I therefore fail to see that the statement in the affidavits has any bearing except to infer that such consultations were improper."

"In regard to the conduct of the investigation of Wall Street brokerage houses, that was for the purpose of assisting a representative of the District Attorney's office, who was assigned to that matter by the District Attorney, and the assignment was made after the District Attorney, Mr. Swann, was shown an anonymous letter referred to and after Mr. Swann, as District Attorney, had specifically requested this particular grand jury to conduct an investigation."

McQuaid Statement Questioned

"The statement in the affidavit that Judge Weeks had told him (Talley) that the entire grand jury minutes were placed in his possession is incorrect. If it is the intent of the affidavit for Mr. McQuaid to convey the impression that the court at any time have any instruction to Mr. McQuaid not to report to the District Attorney and not to keep the District Attorney informed, it is incorrect. . . . The court sees no reason for any implied or stated criticism of the court's action."

Mr. Talley hastened to say that no criticism was expressed or implied. He reiterated that the Wall Street inquiry had revealed no stock transactions by officials.

Court Declines to Comment

Mr. Talley asked if the court would not make public the fact that nothing had been found to connect any public official with any questionable stock transaction. Justice Weeks replied that McQuaid had all his notes on the matter and that the court had none. The court said this had no connection with opposition to the publication of the grand jury minutes, the matter on which Mr. Talley originally came into court.

"I have no control over any matter not before me," said Justice Weeks. "But Your Honor is a justice of the Supreme Court, and if no transactions were found it ought to be made known."

Justice Weeks replied that only two or three days' transactions were examined and that the District Attorney had the same right to publish the result of that examination that he had in any other criminal investigation, adding:

"Whatever that right is the District Attorney will have to determine."

At one point, Mr. Talley asked: "Didn't your honor send Mr. McQuaid to find out whether Mayor Hylan or Mr. Swann had been dealing in Interborough securities?"

"Or any other public officials," supplemented the court.

Mr. Almirall was authority for the statement that the information of short selling by one or more officials came to him early last fall in two anonymous letters. He said he talked the matter over with Justice Weeks, who also

for the names of public officials or other persons who might have sold at the time above indicated Interborough preferred stock short."

"Judge Weeks gave me to understand that the search was to be directed for stock transactions on the part of public officials or other persons."

Directed by Judge

"From November 5 to 24 I was practically entirely relieved from all other work in the District Attorney's office, and active solely in this investigation, under the direction and supervision of Justice Weeks, and during that time I did not report either to the District Attorney or to the acting District Attorney, but only to Judge Weeks."

On or about November 24, 1919, Judge Weeks told me that I had gone far enough in the investigation along the lines we pursued, and as nothing of importance had been turned up he had under consideration the sending of a letter to all the brokers in Wall Street and asked me to draft such letter. I did so that afternoon and mailed it to him. He received it the next day and I was notified by telephone that the letter was ready and I called at Judge Weeks's chambers, 51 Chambers Street, and received my draft of the letter back with certain corrections made by himself. Judge Weeks suggested that this letter be signed either by me or by the District Attorney and that I take this matter up with the District Attorney."

"I then presented the matter to the District Attorney, who refused to put his name to the letter or to permit me to put mine to it, and the District Attorney stated that if the letter went out at all it should be sent out under the signature of the foreman of the extraordinary grand jury or Judge Weeks."

"In the whole investigation I acted entirely under the direction of Judge Weeks and reported solely to him."

During the court procedure Justice Weeks said:

"I think it necessary to state that there was no consultation between the foreman of the grand jury and the court other than on matters relating to the grand jury's business. I therefore fail to see that the statement in the affidavits has any bearing except to infer that such consultations were improper."

"In regard to the conduct of the investigation of Wall Street brokerage houses, that was for the purpose of assisting a representative of the District Attorney's office, who was assigned to that matter by the District Attorney, and the assignment was made after the District Attorney, Mr. Swann, was shown an anonymous letter referred to and after Mr. Swann, as District Attorney, had specifically requested this particular grand jury to conduct an investigation."

McQuaid Statement Questioned

"The statement in the affidavit that Judge Weeks had told him (Talley) that the entire grand jury minutes were placed in his possession is incorrect. If it is the intent of the affidavit for Mr. McQuaid to convey the impression that the court at any time have any instruction to Mr. McQuaid not to report to the District Attorney and not to keep the District Attorney informed, it is incorrect. . . . The court sees no reason for any implied or stated criticism of the court's action."

Mr. Talley hastened to say that no criticism was expressed or implied. He reiterated that the Wall Street inquiry had revealed no stock transactions by officials.